

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
Carol C. Lam***

For Further Information, Contact: Assistant U. S. Attorney Melanie K. Pierson (619) 557-5685

For Immediate Release

NEWS RELEASE SUMMARY - November 7, 2005

United States Attorney Carol C. Lam announced that a City of Industry firm, Triunfo-Mex, Inc., and two of its officers were sentenced today in federal district court in San Diego following their guilty pleas on May 16, 2005, to importing goods and paying less than the duty legally owed, in violation of Title 18, United States Code, Section 541. United States District Court Judge Larry A. Burns ordered Triunfo-Mex, Inc. to pay a criminal fine of \$2.1 million and \$3.5 million in restitution. Josefina Candelario, an employee in Mexico responsible for sending the false invoices to the Customs broker, who then processed the duty payments to the government, was sentenced to five years' probation, a \$2,000 fine, and ordered to pay \$200,000 restitution. Cristina Candelario, an employee in the City of Industry, who processed the payments for the Customs broker, including the payments of duty, was also sentenced to five years' probation, a \$1,000 fine and ordered to pay \$200,000 restitution. Eriberto Candelario, the owner of the company and the orchestrator of the scheme, is scheduled to be sentenced on February 27, 2006, at 9:30 a.m. before Judge Burns.

According to Assistant U.S. Attorney Melanie K. Pierson, who prosecuted the case, a representative of the corporate defendant, Triunfo-Mex, Inc., located in the City of Industry, California, acknowledged that Triunfo-Mex is in the business of importing Mexican food, candy, detergents, and health and beauty products, and of distributing them to retail outlets within the United States. The defendants admitted that from January 1998 to January 2003, Triunfo-Mex, Inc. imported approximately 32,897 line items of merchandise from Mexico, almost exclusively through the Calexico, California, Port of Entry. The majority of the products imported were exported by Productos Mexicanos El Triunfo SA de CV., a company which shared the same ownership as Triunfo-Mex, Inc.

During the period from 1998 through January 2003, entries of certain products from Mexico were subject to quotas set under the North American Free Trade Agreement (NAFTA). Once the quota was reached for that particular line item, duty was required to be paid upon importation. Prior to the quota being reached, no duty was imposed.

According to the plea, during the period from January 1, 1998, through January 1, 2003, Triunfo-Mex, Inc. imported products such as condensed milk and instant drink mixes, which were subject to quotas under NAFTA. Prior to the time that the quota was reached for a particular item, the unit price Triunfo-Mex, Inc. declared on the documents accompanying the merchandise was the true unit price. The defendants admitted, however, that once the quota was reached, the unit price declared for the item dropped to approximately one tenth of the previously declared value for the same merchandise. The corporation acknowledged that the resulting overall loss of duty during the period of the offense was \$3.5 million, and agreed to reimburse the Customs Service for that loss, as well as to pay a \$2.1 million fine. The individual defendants are jointly and severally liable for restitution as well, commensurate with their participation in the scheme.

The case is the result of an investigation by the Immigration and Customs Enforcement, Department of Homeland Security.

DEFENDANTS

Triunfo-Mex, Inc.

Eriberto Candelario

Cristina Candelario

Josefina Candelario

SUMMARY OF CHARGES

Count 1 (Triunfo-Mex, Inc.)

Entry of Goods Falsely Classified, in violation of Title 18, United States Code, Section 541

Maximum Penalty: (For Corporation) Five years' probation and a fine of twice the gross loss or gain

Count 2 (Eriberto Candelario, Cristina Candelario, Josefina Candelario)

Entry of Goods Upon Payment of Less than Legal Duty, in violation of Title 18,
United States Code, Section 541

Maximum Penalties: Two years in custody and/or \$250,000 fine

AGENCY

Department of Homeland Security, Immigration and Customs Enforcement